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ABSTRACT

To gauge one component of the cost effectiveness of the National Institute of Education's Research and Development Utilization (RDU) program, researchers compared participating schools' use of direct federal resources with their use of local resources. They also examined the relationship of RDU costs to the program's outcomes at the school level. Data were gathered on a sample of 22 schools through financial audits and interviews with teachers and administrators. The results showed that an average of 80 percent of the RDU program's total costs were "inkind" costs resulting from the provision of local resources, mostly donated staff time. Statistical analysis indicated that, while total program costs did not correlate with any measure of RDU success, the percentage of locally contributed resources was positively associated with successful RDU outcomes, especially concerning the program's organizational impact on the schools, its developmental impact on school staff, and the school's incorporation of educational innovations. (Author/RW)

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RELATIONSHIPS BETWEEN LOCAL CONTRIBUTIONS AND THE SUCCESS OF A FEDERAL SCHOOL IMPROVEMENT PROGRAM

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INTEGRATING RESEARCH AND PRACTICE: CAN SCHOOLS AFFORD NOT TO?

In recent years many school districts have turned to the federal government for help in financing local school improvement efforts. Through the National Diffusion Network (NDN), Title IV-C of the Elementary and Secondary Education Act, and other programs, the federal government has awarded grants to support organizational and instructional change within a variety of settings, including state education departments, school districts, and individual schools. For example, in FY 1979 NDN provided grants to 193 local sites nationwide whereas Title IV-C, in Michigan alone, supported projects at 274 sites. Invariably, these federal grants have been viewed as "seed money" to stimulate local school improvement projects while expecting local authorities to assume the costs when federal funding expires. The approach of some programs is to provide a lump sum which fully funds the initial stages of a local project in order to demonstrate the project's viability to local education agencies and encourage them to bear the costs of subsequent stages. Other federal programs promote local contributions from the start by partly funding each stage of the project and assuming that local authorities will supply whatever additional funds are required.

Unfortunately, local educators seldom realize just how much their participation in a federal or state grant program will cost and often become disillusioned when the actual costs far exceed original expectations.[1] The total costs include not only cash outlay by the school or school district for program-related expenses but also the cash value of the time and other resources that teachers and administrators contribute without charge to the program for group brainstorming meetings, paperwork and other activities. Does successful school improvement have to be expensive? And, who should pay and how much?

These questions were recently examined in the context of the Research and Development (RDU) program -- an "action research" effort in dissemination established in 1976 by the National Institute of Education (NIE). Operating until 1979, the RDU program expended over $8.3 million to help almost 300

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schools work on locally defined problems in basic skills, career education, and teacher inservice through the use of externally developed R&D products. The products included innovative curricula, classroom management guides, evaluation kits, and other teaching and learning aids. The RDU program was unusual among federally funded dissemination strategies because of its dual emphasis on the use of innovative R&D products and on the improvement of the process by which problems were identified and solved. Among the cost issues that an ongoing study of the RDU program has addressed are the relative use of federal and local resources to support the program and the relationships of program costs to school level outcomes.

Relative Use of Federal and Local Resources

Each school that participated in the RDU program received between $1,000 and $8,000 in federal funding to support its RDU activities over a two or three year period. With such a small amount of external financial support, the impact of federal funding on local activities would appear to be inherently limited. However, federal grants usually constitute but a portion of the total costs that schools must absorb in order to take part in most change or school improvement programs. Moreover, in the past months serious questions have been raised about the appropriateness of even a small federal role in funding targeted local activities. One purpose of the RDU study was to address some of the underlying questions about the relationship between federal funding and local initiatives, including the "true" costs to districts of participating in federal grant programs. Hence, a feature of the study was to determine the ratio between the program's direct and inkind costs at the school level:

- Direct costs can be readily tied to specific RDU activities and are paid for directly with RDU grant funds, e.g. purchase of an R&D product.
- Inkind costs can be readily tied to specific RDU activities but are not charged to an RDU grant. Inkind costs are incurred when district funds and other non-RDU sources provide resources to the RDU effort, or when teachers and administrators contribute their time to RDU without being compensated directly by RDU program funds.[2]

Through audits of financial records and interviews with teachers and administrators at a representative sample of 22 schools, it was discovered that inkind costs averaged over 80% of total costs.[3] Each dollar

of federal funds stimulated about four dollars in local contributions. Most of the inkind costs represented the cash value of time spent without compensation in meetings devoted to problem identification and R&D product selection and on activities related to product implementation (e.g. training, materials development, etc.).[4] That inkind costs were relatively large and composed of so much donated personnel time is significant for planning school improvement efforts because it reinforces the notion of federal grants as "seed money" rather than as the sole or permanent source of support. It also demonstrates that even small federal grants, carefully targeted and imaginatively expended, can leverage far greater investments of local resources. Finally, it emphasizes the need to warn prospective participants that grant funds will not cover most costs and they should be prepared to contribute substantial amounts of their own time to meetings and other activities.

Relationship of Costs to Outcomes

The second purpose of our study was to determine the effects of these costs on school level outcomes. The school level organizational impacts of the RDU program on the school included a broad scope of implementation involving many students and a substantial portion of the class day, and major improvements in curricula and teaching methods.[5] Many schools reported that the R&D product had been incorporated successfully into the school curriculum and written guidelines existed for the use of the product. Finally, personal impacts included increased confidence in teaching abilities, greater satisfaction in school decision making, and the acquisition of skills in problem solving and knowledge utilization.

It seemed important to assess the extent to which the amount of total costs and the percentage of inkind costs were related to outcomes identified by visits to the schools and surveys of the principals and teachers. The outcomes measured were: (1) a scale of organizational impact of the RDU program on broad areas of school functions such as curriculum, staff morale, and classroom organization and management, (2) incorporation of the RDU program's rational approach to problem solving into the school's regular

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decision making process; (3) incorporation of the selected R&D product into the school's ongoing administrative procedures and/or instructional practices; (4) solution of the original problem identified by the school as a reason for becoming involved in the program, and (5) personal staff development impacts of the RDU experience perceived by participating teachers.

Exhibit 1 shows the results of rank order correlations between costs and outcomes. Total costs were not significantly associated with any of the outcomes. Schools with higher costs (both direct and inkind) were not more likely to achieve successful outcomes than schools with lower costs. Accordingly, in answer to the question raised earlier about the costs of local school improvement efforts, it does not seem that they have to be expensive in order to be successful. Planned school change can still be attempted at times of fiscal austerity secure in the knowledge that limited funds alone will not prevent success.[6]

The percentage of inkind costs was more strongly related to success. The percentage of inkind costs is independent of the amount of total costs, i.e. schools with a simple problem solving process and low total costs can still have a high percentage of inkind costs. The data in Exhibit 1 suggest that a school's commitment of inkind resources either reflects or motivates a desire on the part of participants to achieve successful outcomes. Indeed, increasing proportions of inkind costs in the RDU program were positively and significantly associated with greater organizational impacts, greater incorporation of the R&D product, and more pronounced personal impacts.

Thus, inkind costs were a significant factor in the success of some change efforts and the failure of others. The federal funds expended by the RDU program prompted substantial local investments of time and money which, in turn, were associated with positive school outcomes. This finding suggests that the answer to the question about who should pay for school improvement, and how much, is that local schools wind up paying much of the cost but they also reap significant substantial benefits. The policy implication of this finding is that while the drain of extensive local contributions are a legitimate source of concern to grant recipients, these contributions help to foster commitment to, and promote the success of, an externally initiated change program.[7]

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Exhibit 1

RANK ORDER CORRELATIONS BETWEEN COSTS AND OUTCOMES
IN THE RDU PROGRAM

OUTCOMES	COSTS	
	Total $	% Inkind $
Organizational Impact (N=22)	+ .04 NS	+ .49 p<.02
Incorporation of problem-solving process (21)	- .09 NS	+ .24 NS
Incorporation of R&D product (22)	+ .20 NS	+ .41 p<.06
Problem solved (21)	- .31 NS	+ .20 NS
Personal impact (21)	- .26 NS	+ .39 p<.08

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FOOTNOTES

[1]The RAND Change Agent Study illustrated the threat to program operations posed by unanticipated or "hidden" operating costs. See: Paul Berman and Milbrey W. McLaughlin, Federal Programs Supporting Educational Change, Volume VII: Factors Affecting Implementation and Continuation. Santa Monica, California: RAND Corporation, 1977, pp. 168-169.

[2]Further discussion of the issue of inkind costs can be found in: U.S. Civil Service Commission, Bureau of Intergovernmental Personnel Programs, IPA Grant Administration Handbook. Washington, D.C., 1976, pp. 17-20.

[3]Total costs at the sampled schools ranged from $4,393 to $57,110.

[4]Direct costs accounted for only 20% of total costs and were most often expended on released time for teachers, purchase of R&D products, and travel to other schools to observe product use.

[5]Louis, K.S., Rosenblum, S., Molitor, J. and Kell, D. Linking R&D With Local Schools: Strategies for School Improvement. Cambridge, MA: Abt Associates Inc., 1981.

[6]In fact, the RAND Change Agent Study observed that "more heavily funded projects had a slight tendency to have their materials discontinued by project participants after the end of federal funding." See Berman and McLaughlin, op cit., p. 74.

[7]More information about the RDU program can be obtained from Dr. John Egermeier, Program on Research and Educational Practice, Dissemination and Improvement of Practice, National Institute of Education, 1200 19th Street, N.W., Washington, D.C. 20208. Information about the RDU study is available from Dr. Karen Seashore Louis, Project Director, Abt Associates Inc., 55 Wheeler Street, Cambridge, Massachusetts 02138.

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